

Growing Unemployment and poverty in the country with the problem of Black Money

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Abstract

The Indian economy is emerging as the third superpower in the world today. But the problems of black money in the Indian economy have been known since the beginning, due to which the country is in the category of rudimentary India today. Black money is the result of unemployment, poverty and inflation in the country. The country is backward in development work. The reason for low income per person is related to black money. The main reason for the inequalities in income is black money. In order to curb black money, Hon'ble Prime Minister Shri Narendra Modi did a successful attempt by making a note on November 8, 2016. Black money mainly houses people as movable and immovable property, mainly in gold and abroad. All those above will have to take stringent steps to ban the above.

Introduction

Today the different economies of the world are worried about the problem of black money. It is being obstructed in achieving their development path and desired goal. Developed by this problem, developing and even socialist economies are also affected.

According to a study conducted by the International Monetary Fund, the total national income in Japan is 5% in England and Soviet Socialist form 10% Italy and Sweden 15% and 20% states in the form of black money in the United States and Canada. It is clear from these figures that the problem of black money is global and it is posing a threat to the legal monetary system. The most malicious problem of black money is on developing economies. Most of the discomfort is due to the excess of black money. This disrupts the development process of these economies. While obtaining the conditions of accelerated development, they are essential .¹

Objective

I have tried to point out the problems related to black money in my research paper and my objective is to eliminate the problem of black money from our country, so that all India is corruption-free. The duty of all citizens is to try to make their country a developed nation.

Research Methodology

My research paper is based on second synopsis, in which I have compiled from books, magazines, newspapers etc.

The Meaning of Black Money

In very simple and general language it can be said that the connection between black money is with its illegal acquisition. In every economy, black money structure involves illegal deals, illegal property and

illegal income. These ingredient elements can be explained in the following way. It is believed that the sales tax has been levied on any item, for which a rebate is a fixed amount. This amount is worth 4 lakh rupees. The value of a merchant's total sale is Rs. 10 lakhs, out of which he only sells the information of sale of value of 7 lakh rupees to the sales tax officer. The value of this residual worth 3 lakh rupees will be in the category of illegal and black deal. The second most important component of black money economy is illegal and black property. This type of property is collected without paying taxes. Suppose a person's property is twenty million. But he gives information to the tax officer and only 10 lakhs.

Just like in different economies, even in India, there is no statistical data on illegal assets and illegal deals, although it should be available. For this reason illegal money is used as black money only.

Excess of black property and black deals is excessive. Because of this, their actual assessment seems very difficult.

In this simplified perspective, the meaning of black money is from all the income which is found in any part of illegality. This type of income can be related to illegal activities like gambling, smuggling, betting, black market, bribe, turban etc. Apart from these, some are fully legal in the process of income recovery. The income of the services of doctors, lawyers, engineers, consultants and other experts who provide personal service. When income is not earned through statutory means, then the income gradually takes the form of black money.

We can see black money in two forms. Income earned from the first Illegal Sources Earned income from the second statutory sources, whose details are not public and partly and fully spent on their illegal items.

There is a problem of black money in today's biggest problem of the Indian economy. Black money always keeps growing. This is mostly the problem of more such countries. Countries which are extremely backward semi-developed and developing economies, it is found in those countries that due to the lack of information technology, currency transactions are more popular as cash currencies. For this reason, black money keeps on increasing.

Various estimates of the existence of black money in the Indian economy have been made, which have been made in this context, their findings are different and they are not mutually comparable. But one thing in all these is clear that the problem of black money in the country is terrible. In the process of estimation of black money, generally the total national income data of the total year is taken care of. For this, the national income data is divided into agricultural income and non-agricultural income groups. Since agricultural income is exempt from the tax limit.

Dr. D. Rangnekar guessed that in 1965-66 the amount of black money was 2350 crores, 4580 crores in 1973-74 and 18241 crores in 1980-81. Based on the current prices, the value of gross national production in 1982-83 was Rs. 14541 crores. On this basis, approximately Rs. 72000 crores was in the form of black

money. The International Monetary Fund estimates that nearly 50% of the gross national income in India exists in the form of black money.

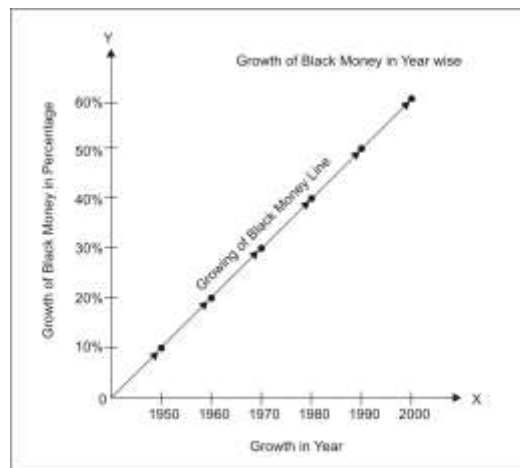
According to a report published from the National Institute of Public Finance and Policy, New Delhi, black money exists from 18% to 21% of the national production in the economy. In this report, only one part of the components of parallel economy has been taken. The black money created with smuggling and other illegal activities has not been included in this form. While their value will be more than 18% parts of gross national production.

Due to the rise in Black Money

The reasons for the rise in black money are:

1. The increase in black money is fast in such countries where the economy is very backward and cash transactions, where all work is done by currency, i.e. the money transaction and the digital payment e-payment No arrangement should be made.
2. The problem of black money is more in countries where population is more and not aware.
3. In a country where public works are done in cash, black money continues to grow in such countries.
4. There is a problem of money laundering. In most of the countries where income estimates are not 100%. Traders, doctors, engineers and individuals who earn personal income do not declare their full income and avoid tax.
5. Complete work can not be achieved by productive works. Due to this the full volume of production is not known. Tax is not levied on agricultural production only and other producers also steal taxes.
6. Some actions are anti-social, people who are engaged in corruption do not declare their illegal income anytime. This also causes black money problem. The circulation of fake notes in the economy also generates black money.
7. The problem of money laundering is seen here, where to buy black money white money, it is procured from gold, jewelery etc. This medium also increases black money.
8. There is a situation of promoting black money in real estate related traders, individuals who avoid tax by acquiring illegal money.
9. Politicians and actors also grow in black money and invest their black money overseas. More recently, there is a list of the names of the Indians in the paradise paper. After having black money from his country, he has invested abroad. This is also the biggest problem of black money today.
10. Most people want to avoid tax. It has been observed that in the country other taxes and public works are done from the taxation of the country, from whom the country is spending on development, education, health etc. The country indicates that there is no sense of interest.
11. Due to the lack of will power of the governments also the problem of black money arises and it always happens in growth. It is never negative.

We can understand the problem of black money through graph, which always keeps on growing in the beginning and it is never negative.



An attempt has been made to express through the above graph that black money continued to grow and 50% of all the income is in black money.

We fully agree with this statement that the International Monetary Fund has said that 50% black money in India is of all gross national production which can be the biggest problem of any nation.

Increase in Poverty and unemployment due to Black Money Problem

With the problem of black money, the rate of tax decreases in the country, so that the money which the Government has to spend on development works is not complete. The government has to finance the deficit in the event of losses. At the rate of extremely degenerative tax rates, the Bachu committee had estimated that in the year 1961-62, 1965-66 and 1968-69 tax evasion, the government suffered losses of Rs 233, 333 and Rs 470 crore, respectively. The loss of tax income is almost now about Rs.1000 crores annually. It is estimated that the amount of tax stolen is created by financing the amount. This problem arises in the country other problems. Decrease in development work, low rates of employment and increase in prices are the main reasons. The problem of black money also denies the rule of economic equality in the country. It promotes inequality and concentration of wealth, and inflation continues to increase day by day. Because the financial system of the deficit has to be completed by printing the new currency.

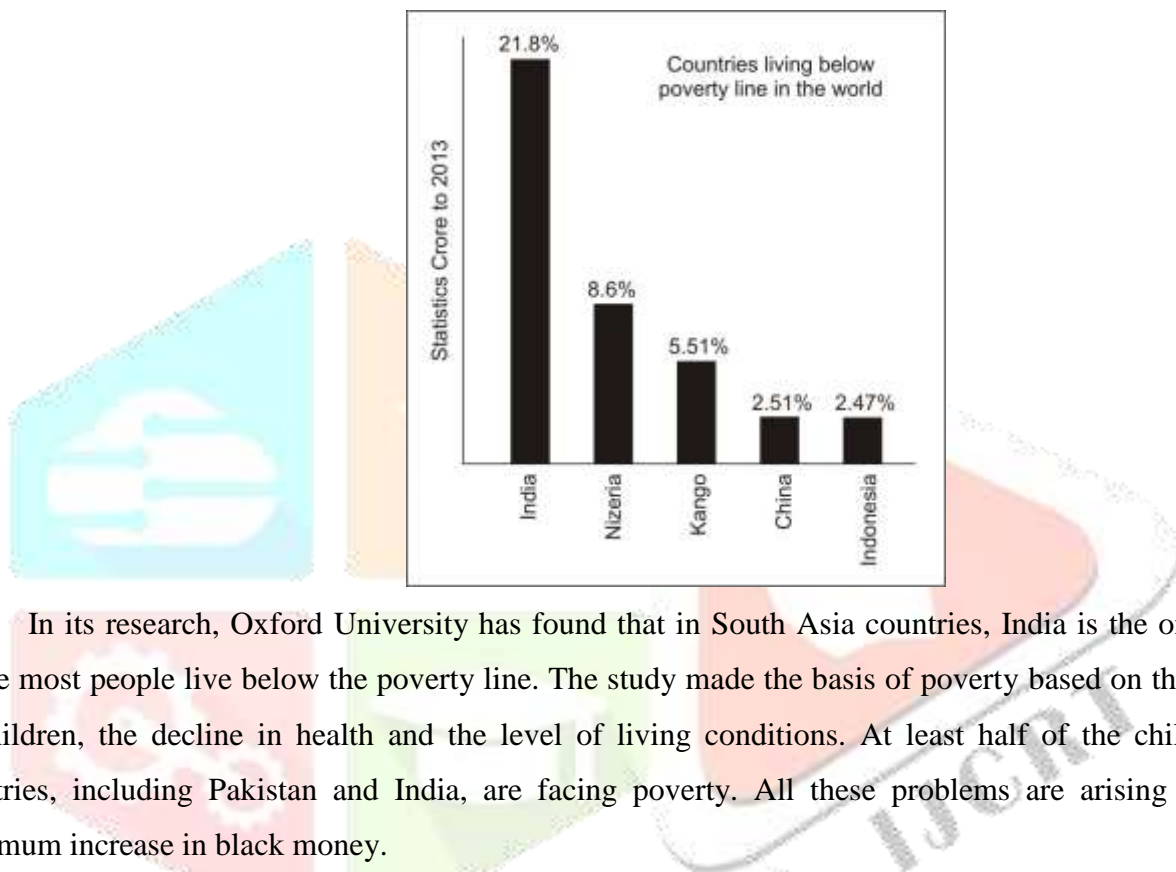
The process of tax evasion is more in the hands of people who are self-employed than the salaried employees like industrialists, businessmen, construction contractors, lawyers, doctors, capitalists etc. In addition, film producers, artists and others are also leading in this process. In this process, people who have already completed more prosper and become poor and poorer.

In the Indian experience, the fact remains that poverty has increased even when wealth has increased. Therefore, the process of black money promotes inflation, chaos and unwanted actions in society. Black money especially in unemployment, starvation, poverty etc. increases.

These statistics have appeared in the Credit Suisse Global Wealth report. This figure of property is bigger than the size of the economy. The number of rich people in the country, at present, the number of

such wealthy people having assets worth more than six and a half million is two lakh 45 thousand. Total domestic assets in India are five trillion dollars (about 325 lakh crores). In India, wealth is mainly in the form of other real assets.

About 75 million people are extremely poor in the world, the largest number in India. That is the second place in the African country Nigeria. In India, 22 million people fall under extreme poverty category. According to the World Bank standards, people living below 1.90 dalers per day are kept in extreme poverty category. The countries below the world's most poverty line are represented in the graph.⁶



In its research, Oxford University has found that in South Asia countries, India is the only country where most people live below the poverty line. The study made the basis of poverty based on the education of children, the decline in health and the level of living conditions. At least half of the children in 36 countries, including Pakistan and India, are facing poverty. All these problems are arising due to the maximum increase in black money.

Measures to solve the Problem of Black Money

The problem of black money in India is in its paranoid form. This problem can be reduced to a certain extent through reducing and corrective measures, which are as follows:

1. Slowly eliminate the practice of cash currency. Implementation of e-payment system in the entire country.
2. Work on information technology at a smooth and transparent level.
3. All development works should be transparent.
4. Monetization should be done periodically. (8 November 2016) was a very important step.
5. Improvement in taxation Direct and indirect taxes should be improved. (GST is also an important improvement in an indirect tax)
6. There is no proper production information, for this there should be complete transparency in production activities.

7. Agricultural production should also be kept under tax and the possibility of theft could be completely eliminated.
8. People of the country should be made aware of this problem and everyone should be digital educated.
9. For transactions between gold and other expensive jewelry, transactions and purchase should be done through a bank or government, for which IDs should be made. Proof must be necessary.
10. All transactions related to other countries must be through e-payment and all the Indians who invest abroad in foreign countries should also be transparent.

Conclusion

Indian economy has emerged as a superpower in the world, whose pace is fast. In other countries, this economy has a special significance. For some reasons, today there are some problems in our economy, in which the main problem relates to black money. Where there are two billion millionaires in India, on the other hand, 22 crore people fall under the category of extreme poverty. It is evident from the fact that the gap between the poor and the rich is also increasing. 70 years of independence has been achieved. But some problems are increasing. Similar problem relates to black money. Former central governments came and went on, but there was no concrete step related to black money.

On 8th November 2016, honorable Prime Minister Shri Narendra Modi ji attacked black money with monopolization and in respect of tax reform GST Implemented in the country. It is one of the important works in black money and theft of taxes.

Running a direct benefit scheme by the central government is also a step towards black money. The government has earmarked money on the black money system. The money of fake notes will also end with this arrangement. Black marketing, bribery, anti-national activities etc. are all black money in the society, by eliminating the country's poverty and unemployment, the world's first economy can become our country, for which the central and state governments need to take concrete steps Will be A beautiful nation, a prosperous nation and a developed nation will only happen.

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